

MINUTES OF MEETING
4th RSPO JWG MEETING**Date: 28th January 2019****Start time: 9.00 am – 5:45 pm****Venue: VE Hotel, Kuala Lumpur****Attendance:**

<u>Members and Alternates</u> <ol style="list-style-type: none">1. Audrey Lee Mei Fong (OLAM, AL)2. Lim Sian Choo (BAL, LSC)3. Chin Kai Xiang (BUNGE, CKX)4. Glyn Davies (WWFMY, GD)5. John Watts (Earth Innovation Institute, JW)6. Rauf Prasodjo (UNILEVER, RP)7. Balu Perumal (MNS)8. Lee Kuan Chun (P&G)9. Wahyu Wigati (GAR)10. Sander van der Ende (NBPOL, SE) <u>Online presence</u> <ol style="list-style-type: none">11. Michael Rice (BothEnds, MR)12. Marcus Colchester (FPP, MC) <u>Absent with Apologies</u> <ol style="list-style-type: none">13. Alegandran Maniam (SDP)14. Maria Amparo Alaban (ACD)15. Jon Hixson (YUM)16. Rob Nicholls (MM)17. Stephen Krecik (RA)18. Tom Lomax (FPP)19. Sutyana (FOR)20. Uki Ruqaiyah Rafiq (YSJ)	<u>RSPO Secretariat</u> <ol style="list-style-type: none">21. Javin Tan (JT)22. Dillon Sarim (DS)23. Salahudin Yaccob (SY)24. Lee See Lung (LSL) <u>NewForesight Consultancy (NFC)</u> <ol style="list-style-type: none">25. Joost Gorter (JG)26. Laurens Speelman (LS)
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No	Description	Action points	Progress
1.0	<p>Opening Remarks</p> <p>Welcoming words from the Secretariat & Co-chairs</p> <ul style="list-style-type: none"> • Long-term objectives: We're working towards something significant. If we can get this to work, we can achieve economies of scale, significant environmental & conservation improvement, and benefits for smallholders • Short-term objectives: Getting the sub-groups up and running. Empower them with decision making, and get the CSD ready for public consultation in June <p>Introduction round</p> <p>Note: How do we think about the link between our work and the pilots?</p> <ul style="list-style-type: none"> • It was advised that the pilots should take the outcome of the discussion to apply in their own respective case studies. • The Sabah steering committee has not met in a while, and there is some delay in implementation • Add to agenda for discussion in the workplan <p>Note: Function of the subgroups is to come to proposals on specific components of the JA. The JWG takes the final decisions.</p> <ul style="list-style-type: none"> • The more people on the sub-WGs the better 		
2.0	<p>P&C Sub-group discussion</p> <p>The WG members agreed that two standards will be applied to jurisdictional certification: 1) RSPO P&C 2018 for all producers excluding independent smallholders and, 2) RSPO Independent Smallholders standard for independent smallholders only.</p> <p>There was discussion & deliberation on the application of the P&C to the jurisdictional level</p> <ul style="list-style-type: none"> • The exercise of the applying the P&C to the JE is in many ways similar to the exercise of national interpretation. It shouldn't be a new standard, rather a reformulation/interpretation (e.g. updating the P&C 2018 should not happen) • It was suggested we should formulate principles for this exercise, e.g. <ul style="list-style-type: none"> ○ Simplicity ○ Reducing costs ○ Impact • We need to ensure to include learning from the case studies in this exercise • There needs to be clear coordination between the sub-groups, as there is clear overlap between them. <ul style="list-style-type: none"> ○ E.g. where can auditors get information? • The question was raised/it was suggested whether the sub-group will also come up with new indicators for implementation of the JE within the JA framework <ul style="list-style-type: none"> ○ Baseline requirements are formulated by the sub WG II (example of FSC mixed sourcing approach) ○ Are there additional KPIs to be reported on? No decision was taken, rather it will be part of the discussions in the sub-WGs 		

No	Description	Action points	Progress
	<p>There was further discussion on the step-wise approach and what this could look like</p> <ul style="list-style-type: none"> • The step-wise approach will require defining required compliance for each step <ul style="list-style-type: none"> ○ Potential steps - Political, initiation/entry, investment, "finish line" ○ Rather than gradual improvement across the jurisdiction, in practice it may be patch-by-patch. We need to keep this in mind in formulating the requirements for the different steps ○ Potential components to be included in the CSD for each step • <i>Note: Steps to be defined. First thoughts/division below</i> • Step 0: Pre-initiation/political (/commitment) <ul style="list-style-type: none"> ○ Political commitment (e.g. Sabah example) - the process starts with a statement of intent ○ What can, and should, RSPO do, without prescribing it in the CSD? <ul style="list-style-type: none"> ▪ Including aspects in the CSD also implies official recognition of the RSPO to the JE ▪ RSPO shouldn't be put at risk ▪ What is the support RSPO can offer without the official (CSD) recognition? • Step 1: Initiation/entry phase <ul style="list-style-type: none"> ○ What does it mean when a JE reaches the initiation phase? <ul style="list-style-type: none"> ▪ Definition examples that came up in the discussion: <ul style="list-style-type: none"> ▪ To be on track towards full certification ▪ Step 1 (of however many steps it will be) will be the first step as official recognition (as a unit of certification), that will be written up in the CSD ▪ There should be set of minimum/baseline requirements. E.g. What are the minimum criteria to obtain this recognition within the RSPO? ▪ Need for input from buyers what would be the minimum requirements for this to work ▪ Suggestions for requirements related to minimum "first step" compliance <ul style="list-style-type: none"> ▪ See slide for examples (attached. Annex II). E.g. Mapping is done ▪ A minimum requirement for %s certified/compliant producers ▪ Requirements for other (non-certified/RSPO compliant) producers. What are the requirements needed for credibility? <ul style="list-style-type: none"> ▪ What are the KPIs to look at? ▪ How are these enforced? Legal enforcement? Do we define minimum measures/conditions for enforcement? ▪ Are there minimum requirements for the legal framework / or for enforcement mechanisms? ▪ Minimum governance requirements, e.g. <ul style="list-style-type: none"> ▪ Risk assessment & planning performed ▪ Political commitment ▪ Multi-stakeholder process in place ▪ Other minimum requirements (Beyond P&C), suggestions/ideas <ul style="list-style-type: none"> ▪ Other KPIs ▪ Conservation areas 		

No	Description	Action points	Progress
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ Commitments that go beyond palm oil <ul style="list-style-type: none"> ▪ E.g. FPIC, no deforestation? ▪ What are the minimum requirements to be in place at entry level (e.g. commitments/plan?) ○ Step 2: Mid-way level (development phase?) <ul style="list-style-type: none"> ▪ The mid-level step(s) should be easier to define, once the first step and desired finish line are clear. ▪ Increasing set of criteria (set in CSD?) <> Guidance & incentives towards full certification by RSPO (or both)? ○ Step 3: Finish line <ul style="list-style-type: none"> ▪ Several options were discussed on what the finish line should be. Most notably 1) RSPO compliance (e.g. full P&C compliance in a jurisdiction), 2) continuous improvement, measured by agreed-upon impact KPIs, 3) improved governance on a jurisdictional level. ▪ RSPO compliance as a measure of impact? <ul style="list-style-type: none"> ▪ All producers comply to RSPO, not necessarily RSPO member ▪ Fully compliant <> being certified <> meeting minimum requirement ▪ It may not be possible to fully implement several components in all jurisdictions (e.g. FPIC). Getting too specific may result in implementation that is too complex. ▪ Zero deforestation, including high forest cover, may pose problems. What is the finish line here? What is feasible? Can full certification be obtained? ▪ Other impact measures? <ul style="list-style-type: none"> ▪ Also needs to include pre-certification conditions (e.g. land clearing) ▪ Completion of plans (e.g. formulation of plan, sticking to it, and realizing them) ▪ Process of improving governance (for compliance)? <ul style="list-style-type: none"> ▪ Successful governance (KPIs?) ▪ Successful enforcement ▪ Where governance is bad, perhaps no JE should be in place, and rather use existing certification schemes? <p>Several other fundamental concerns were raised in the discussion</p> <ul style="list-style-type: none"> • Baseline/zero tolerance requirements & audits <ul style="list-style-type: none"> ○ How are these going to be verified? ○ These also include pre-certification concerns (e.g. land clearing, new plantations) ○ What are the requirements for credibility? (e.g. how to deal with "bad stuff"?) • Incentives / What do you want to do to drive the process forward? <ul style="list-style-type: none"> ○ There should be incentives to continue towards full certification, even in a JE that is certified; another category in PalmTrace? ○ To be discussed in another WG- rules of communication of the members • Multi-crop discussion <ul style="list-style-type: none"> ○ How to ensure no-deforestation (high conservation areas) – see discussion of the afternoon session • What is the relation between the producers & JE? Relation between producers & RSPO? <ul style="list-style-type: none"> ○ What would be the mechanism for enforcement? - Depends strongly on legal framework ○ To be discussed in the afternoon session • Risk to RSPO 		

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	<ul style="list-style-type: none"> ○ What is the minimum level to not put RSPO at risk? ○ What is the unit of certification ("all or nothing certification")? ○ What are the conditions that RSPO will recognize a JE, when will they receive a certificate? <ul style="list-style-type: none"> ▪ Getting up and running <> getting certification ▪ What is the moment it should be included in the CSD? ● How to deal with current RSPO members (e.g. membership discussion)? <ul style="list-style-type: none"> ○ To be discussed in the afternoon ● What are the (minimum) scope & boundaries? <ul style="list-style-type: none"> ○ To be discussed in the afternoon 		
3.0	<p>Way forward for the P&C subgroup</p> <p>The members of the P&C subgroup had an internal discussion during a short break and formulated a way forward for the group.</p> <p>Questions the P&C subgroup will answer</p> <ul style="list-style-type: none"> ● What the minimum requirements for entry level? <ul style="list-style-type: none"> ○ Criteria for the CSD document ○ May include entry level indicators (for a minimum) ● Look at different phases. What do these look like? <ul style="list-style-type: none"> ○ Political, initiation, investment ○ What are the thresholds to go from one phase to the next? ● What is the end goal? <ul style="list-style-type: none"> ○ Impact/ outcomes, governance processes ○ How does the step-wise approach look like to get to a 100% certification? ● Who will audit and how will the sampling be done? ● What are the incentives / disincentives throughout the different steps? <ul style="list-style-type: none"> ○ Regulation ○ Preferential buying / premiums ○ Group certificates ○ Communications support ○ How will FPIC, taken into account in jurisdictional approaches ● Other items to keep in mind: <ul style="list-style-type: none"> ○ Consider RSPO risks & reputational risk ○ Broader JA initiatives. RSPO support in the broader process, beyond CSD ○ Pilots should provide their insights. How does this work in implementation? Is it doable/practical, are there difficulties you foresee in implementation? <ul style="list-style-type: none"> ▪ The Sabah pilot will take these frameworks to Sabah and check with them, and keep them in mind <p>Practicalities of the P&C subgroup</p> <ul style="list-style-type: none"> ● Who will form the group? <ul style="list-style-type: none"> ○ Members of the P&C group: Secretariat, Glyn, John, Maria ○ New members: Marcus, Rauf ○ Out of group: Sian Choo, Sander ○ Leadership: Secretariat + NewForesight ○ Writing stuff down: NewForesight ● What are the key milestones? <ul style="list-style-type: none"> ○ Note: These needs to be fleshed out ○ Confirmation through individual interviews with the different case studies. 		

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	<ul style="list-style-type: none"> ○ Step 1 (March): P&C application, requirements for the different steps <ul style="list-style-type: none"> ▪ Application of the P&C to jurisdictional level ▪ Step-wise approach ○ Step 2 (April): Auditing requirements <ul style="list-style-type: none"> ▪ Requirements from RSPO (both certification & step-wise) ▪ Revision of what in terms of auditing will be part of which group ○ Check-in time with wider group when a draft is done <ul style="list-style-type: none"> ▪ Circulating it for feedback ▪ Through a conference call (April 8th) 		
4.0	<p>Proposals and discussion items put forward by the JE WG</p> <p>The afternoon session started with a discussion on multi-commodity:</p> <ul style="list-style-type: none"> ● Multi-commodity approach may be needed to have impact ● This group has the mandate is for RSPO & palm oil only. Through the JA approach broader commitments may be made (e.g. land use plan of the government, or through pressure from industry), but these are outside the mandate of RSPO. This approach is a step in the right direction. ● For example, a number of principles <i>may</i> apply irrespective of the commodity depending on the JA <ul style="list-style-type: none"> ○ E.g. HCV assessments could apply; E.g. government should also commit to a land use plan ○ But RSPO would not take away certification (e.g. punishment system) beyond palm oil ○ The industry may/could pressure the jurisdictions to apply it (e.g. if there is a lot of encroachment in an area) ○ This approach won't address all the threats, but it is a step (for palm oil) ○ RSPO could play a role in outreach, and join forces with other parties, building on the JA. <p>Scope, legal boundaries, and secretariat suggestions are approved, with minor adjustments</p> <ul style="list-style-type: none"> ● Scope: Approved <ul style="list-style-type: none"> ○ The scope of the JE is based on legal/administrative boundaries that include the extent of at least one government jurisdiction ○ <i>Note: When we talk about 'boundaries' of the JE we mean the minimum area for which an entity is (appointed, endorsed or represents itself as) the Jurisdictional Entity</i> ● Legal status: Approved, with a note <ul style="list-style-type: none"> ○ To perform its functions (e.g. contracting, appointing committees), the JE will need to have a legal status. We propose to not define the legal status of the JE have the JE decide based on local context, laws and regulations. The legal status should merely allow the JE to legally perform the required functions. ○ <i>Note: There is a need for confirmation that the JE can get things done (e.g. decision power)</i> ● Secretariat: Approved <ul style="list-style-type: none"> ○ The 'secretariat' that is envisioned under the JE's formal structure, implies merely that each JE employs appropriately trained and skilled staff to satisfactorily carry out the JE's functions, activities, and administrative requirements and comply with any applicable legal requirements. The exact 	<p>Marcus to share appropriate wording for inclusiveness requirements</p>	

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	<p>nature of that secretariat is not prescribed (e.g. it could even be a government department/para-statal entity).</p> <p>Functions of the JE suggestions are good, but several components need refining:</p> <ul style="list-style-type: none"> • Certification services - ensuring manageable scope of operations • Data & monitoring - ensuring manageable scope of data collection <> coordination • Governance - preventing conflicts of interest • Next step: Ensuring in the CSD that the distribution of these functions is effective, and that there is no conflict of interest (use examples from case studies for illustration) • Key questions & concerns that were raised: <ul style="list-style-type: none"> ○ Potential for conflict of interest in the JE (e.g. auditing practices, complaints). How can we prevent this? <ul style="list-style-type: none"> ▪ Discussion <ul style="list-style-type: none"> ▪ There are different government agencies responsible for different aspects. The secretariat could guide processes across these parties ▪ There may be different parties involved in the JE (e.g. JE could be a selection of organizations) ▪ In allocating different functions, the governance aspect is important, need for clear "separation of powers" ▪ Can this be taken care of through supervisory board & role RSPO? ▪ What are requirements for staffing/HR? ▪ Way forward <ul style="list-style-type: none"> ▪ Identify who will do what? What are the different actors? ▪ Identify potential conflicts of interest ▪ Prescribe in the CSD on how to prevent a conflict of interest. ▪ For example, set out principles in the CSD to ensure separation of powers/conflict of interest. ▪ Set specific requirements for a JE that they deliver the information that the RSPO needs to make a proper assessment, and can demonstrate that they have the authority & independence needed to perform their function ○ What is the specific role the government should play in the functions? ○ How can existing systems be leveraged to implement these functions? <ul style="list-style-type: none"> ▪ It was note that doing all these functions would imply a large/expensive function, and a huge organization for implementation. ▪ What are the essential services the JE should provide? <ul style="list-style-type: none"> ▪ Coordination between different parties? ▪ Data collection? ○ Practical examples of implementation: <ul style="list-style-type: none"> ▪ Central Kalimantan <ul style="list-style-type: none"> ▪ Set up by bupati; followed by a multi-stakeholder steering committee ▪ Currently one legal entity (mainly focusing ag extension) with a wide group of representatives ▪ Missing aspect is data collection/coordination ▪ Sabah <ul style="list-style-type: none"> ▪ Nowhere near these functions ▪ Mills currently providing certification services ○ Auditing: <ul style="list-style-type: none"> ▪ Who will be responsible for what? ▪ <i>How does the money flow?</i> 		

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	<p>Governance (multi-stakeholder board), approved, with adjustments in language</p> <ul style="list-style-type: none"> • Improve inclusivity requirements, e.g. framing of "Civil Society Organizations" <ul style="list-style-type: none"> ○ Many stakeholders often are left outside (e.g. indigenous people) ○ More specific description/prescription of civil society organization (it's not inclusive enough) ○ Marcus to share wording with the group • Rephrasing of producers to industry (e.g. producers, traders) • CBs included in the supervisory board is good practice, but does not need to be set in stone in the CSD • Refine/define relation between RSPO and the supervisory board <ul style="list-style-type: none"> ○ Learn from current role in national interpretation & their role in the pilots <p>Relation between JE and producers - discussion</p> <ul style="list-style-type: none"> • Introduction: There was a move from prescribed contractual relationship to a more agnostic one. Underlying assumption was that a 100% voluntary membership wasn't possible. Enforcing a specific kind of relationship may not be effective. Rather, we prescribe what rights and authority the JE should have over producers rather than prescribe the nature of the relationship between the JE and producers (eg. producers having 'membership' of the JE or some other kind of relationship). Rationale is to balance flexibility in form with mandatory minimum substance of rights of the JE over producers & producer obligations. • Obligatory membership would likely be difficult/impossible to implement in all relevant jurisdictions (it may be workable for some) • The downside of an approach that may be too flexible is that accountability could be at risk, resulting in limited performance. • Several components were raised for consideration: <ul style="list-style-type: none"> ○ The benefits for the producers will define the relation between the JE and producers. <i>Who is financing what?</i> <ul style="list-style-type: none"> ▪ There is a clear need for practical examples ○ Sources for inspiration <ul style="list-style-type: none"> ▪ One example of a #1 – obligatory membership (small JE - MSPO) ▪ Take elements from other components (group certification) ○ Trade & claim <ul style="list-style-type: none"> ▪ The JE can be certified, but not all producers can claim/trade (e.g. those that are not certified). This needs to be worked out further ○ Relation RSPO <> JE <> producers <ul style="list-style-type: none"> ▪ Relation RSPO <> JE is not yet described (to be defined) • Overall, the key component to consider is that the JE must have the right to perform its functions required under the CSD. <ul style="list-style-type: none"> ○ It's form then does not need to be prescribed in the CSD (whether it's through a contract, legislation, association, etc.), if those conditions are met ○ For example, it could be that through an association, based on government approval/instruments, certain assurance functions can be performed, but without a contract • Roles of the supervisory board must be (more) clearly defined, to provide incentives/legislation, and prevent conflicts of interests <p>Process for way forward of the JE group</p> <ul style="list-style-type: none"> • Who will form the group? <ul style="list-style-type: none"> ○ Members of the JE group: Michael, Maria ○ New member: Sian Choo, Sander 		

No	Description	Action points	Progress
	<ul style="list-style-type: none"> ○ Out of group: Rauf ○ Leadership: NewForesight ○ Writing stuff down: NewForesight to take this role ● What are the key milestones? <ul style="list-style-type: none"> ○ March new draft CSD ○ To be discussed during the April 8th Meeting 		
5.0	<p>Wrap-up and next steps</p> <p>Work division of components that have not yet been assigned:</p> <ul style="list-style-type: none"> ● Policy of trade & claims <ul style="list-style-type: none"> ○ Content discussion: <ul style="list-style-type: none"> ▪ JE as the unit of certification could be a risk for RSPO ("united we stand, divided we fall") ▪ Needs to be more heterogenous/flexible ▪ Threshold approach ▪ How does it deal with non-compliances <ul style="list-style-type: none"> ● Under what conditions will a JE not become compliant? ● What happens if a JE is non-compliant? ● What happens to RSPO compliant producers in the JE if the JE becomes non-compliant? ▪ Depends strongly on the end point ○ Work division <ul style="list-style-type: none"> ▪ P&C sub group will provide input based on the outcome of the phased approach and incentives/disincentives. The JE subgroup will then align these with the other components of the CSD. ▪ Secretariat will play a large role in guiding the discussion ▪ Secretariat will align with Trade & Traceability team of RSPO ● RSPO membership <ul style="list-style-type: none"> ○ JE WG will provide advice ○ Secretariat to play a large role in this ○ Membership department should be involved in the discussion; RSPO board will make the decision ● Additional guidance materials <ul style="list-style-type: none"> ○ To be developed on a needs basis, or after approval of the CSD. <p>Role of the pilot studies was discussed and agreed upon</p> <ul style="list-style-type: none"> ● Calls with the pilots in the P&C working groups ● Calls with the pilots in the JE working groups ● Pilots: 1- or 2-page summary of their perspective on key components and/or provide specific contributions in the sub WGs. ● Use a field study to discuss and test the results of the working groups with the pilots and adjust accordingly <ul style="list-style-type: none"> ○ Don't expect too much in terms of implementation ○ Use the studies to stimulate discussions <p>Process</p>	<p>RSPO secretariat to send out doodle polls for JAWG conference call & physical meeting in May</p> <p>NF to share final work division with entire group</p>	

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	<ul style="list-style-type: none"> • Overlap between groups managed through: <ul style="list-style-type: none"> ○ Co-chairs ○ NewForesight ○ Clear sequence & coherence in development of documents • Key dates & deadlines <ul style="list-style-type: none"> ○ Output of the sub WGs end of March <ul style="list-style-type: none"> ▪ Suggested formulations to be included in the CSD ○ Collective call: April 8th (3-7pm KL time) ○ Physical meeting in May: Monday 13-14th ○ Public consultation: 1st of June ○ Physical meeting: 7-8th August ○ Share materials with the board: 15th August ○ Board meeting: 5th September <ul style="list-style-type: none"> ▪ Back-up October: For a full presentation ○ November: Adoption 		

Annex 1. Attendance Signing Sheet



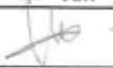
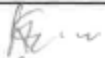

The RSPO is an international non-profit organization formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

**4th Meeting of RSPO JWG
28th January 2019
VE Hotel, Kuala Lumpur**

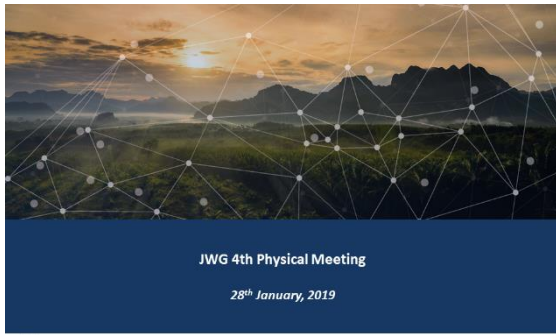
#	Name	Organisation	Signature 28 th Jan
1	Alegandran Maniam	Sime Darby Plantation	
2	Audrey Lee Mei Fong	OLAM	
3	Balu Perumal	Malaysian Nature Society	(p.m.)
4	Chin Kai Xiang	for Bunge Leaders Cerklaan	
5	Glyn Davies	WWF Malaysia	
6	John Watts	INOBU	
7	Jon Hixson	YUM's Brand	
8	Lee Kuan Chun	P&G	
9	Lim Sian Choo	Bumitama Agri Limited	
10	Marcus Colchester	Forest People Programme	✓
11	Maria Amparo Alaban	ACD Consulting	
12	Michael Rice	Both ENDS	✓
13	Rauf Prasodjo	UNILEVER	
14	Rob Nicholls	Musim Mas	
15	Sander van den Ende	NBPOL	
16	Stephen Krecik	Rainforest Alliance	
17	Tom Lomax	Forest People Programme	
18	Sutiyana	FORTASBI	
19	Uki Ruqaiyah Rafiq	Yayasan Setara Jambi	
20	Dillon Sarim	RSPO	
21	Javin Tan	RSPO	
22	Salahudin Yaacob	RSPO	

ON THE PHONE

ON THE PHONE

#	Name	Organisation	Signature 28 th Jan
23	Lee See Lung	RSPO	
26	Joost Gorter	NFS	
27	Laurens Speelman	NFS	
28	Wahyu Wigati	GAR	
29			
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31			

Annex 2. Powerpoint Presentation of 4th WG meeting



Agenda

Introduction & approval of minutes	9:00-9:15
Sub WG II P&C	9:15-12:30
Sub WG I JE	13-16:30
Topic 1: Scope and boundaries	
Topic 2: Governance	
Topic 3: Relation producers to the JE	
Workplan & timeline	16:30-17:30

Agenda

Introduction & approval of minutes
Sub WG II P&C
Sub WG I JE
Topic 1: Scope and boundaries
Topic 2: Governance
Topic 3: Relation producers to the JE
Workplan & timeline

There are two RSPO Standards to be applied to the jurisdictional certification

RSPO P&C 2018	RSPO Independent Smallholders standard												
<ul style="list-style-type: none"> 7 Principles 42 criteria 160 indicators 	<ul style="list-style-type: none"> 5 Principles 24 criteria 61 indicators 												
<ul style="list-style-type: none"> Applicable for: those producers that are not independent smallholders 	<ul style="list-style-type: none"> Applicable for: Independent smallholders 												
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Still under development by SHIG													

At present, the JAWG shall focus on the RSPO P&C 2018, while the ISH standard is being developed

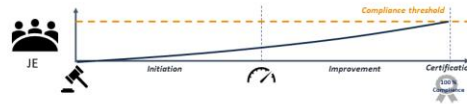
The JAWG needs to define the application of RSPO P&C 2018 to the jurisdiction in three ways

RSPO P&C 2018	Applying P&C 2018 indicators to the jurisdictional certification:														
<ul style="list-style-type: none"> 7 Principles 42 criteria 160 indicators 	<ol style="list-style-type: none"> Check how the P&C 2018 could be applied to jurisdictional certification and reframe the P&C where necessary If the indicators are not applicable, identify alternative indicators that still reflect and fit to the principles and criteria 														
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Subgroup 2 (P&C application) will bring specific proposals on these three areas to guide the JAWG discussion

Does the above three-step exercise make sense?

The steps and proposed requirements for the JE to achieve compliance can be defined in several ways (or be left open)

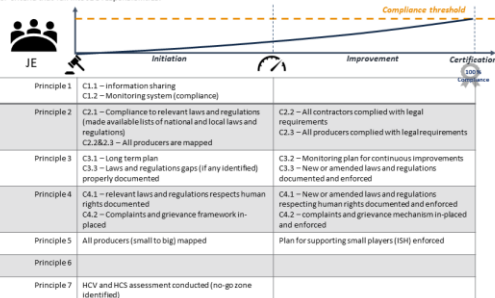


The step-wise approach to compliance could be prescribed in three different ways:

- 1. Application of the P&C** Guidance on what criteria the JE should comply with at what stage
- 2. Timeline** Guidance on the timeline to achieve certain levels of compliance, through a threshold of a maximum # of years to reach a certain stage
- 3. % Certified areas** Guidance on what levels of certified areas/production define a certain stage (e.g. 20% or 50% for initiation)

The step-wise approach to application of the P&C 2018 in a jurisdiction will require defining required compliance for each step

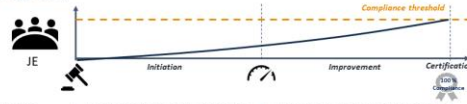
For criteria that fall into JE's responsibilities:



We ask the JAWG for guidance on which criteria the JE should comply with at what stage and:

- Whether this is the right approach?
- Who could lead on what principles?

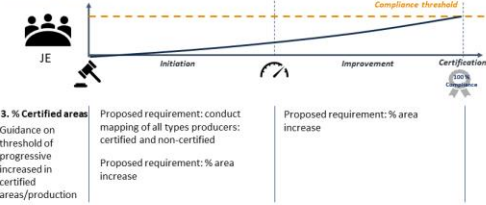
Should there be a minimum timeline requirement for certain progress?



- Questions to the JAWG members:
- Do you agree that there should be a time limit for the JE to move on to the next phase?
 - Do you think 8 years is a feasible limit for the JE to achieve certification?

- Questions to the JAWG members:
- Do you agree that the JE is required to have a roadmap/planning on how to fulfill the requirements of every phase?

Should there be certain thresholds regarding minimum coverage of compliance?



3. % Certified areas
Guidance on threshold of progressive increase in certified areas/production

Proposed requirement: conduct mapping of all types producers: certified and non-certified
Proposed requirement: % area increase

Proposed requirement: % area increase

- Questions to the JAWG members:**
1. Do you agree that mapping of all types of producers to be a starting requirement?
 2. Do you agree if we define % area increase as a requirement for each phase?
 3. Should we define it separately for independent smallholders?
 4. What is a sufficient % area increase?

Taking this process forward

Strengthening the sub-group and defining its milestones

Questions to the JAWG members:

1. Who will form this group?
2. What are the required milestones?
 1. Principles & criteria draft – March?
 2. Auditing requirements (framework) – April?

Agenda

Introduction & approval of minutes
Sub WG II P&C
Sub WG I JE
Topic 1: Scope and boundaries
Topic 2: Governance
Topic 3: Relation producers to the JE
Workplan & timeline

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Topic 1: What should be the scope and boundaries of a JE?

We are asking the JAWG to approve the following scope/boundary for the JE, and to leave the legal status and nature of administration open

Options	Further decisions	Description
<p>OPTION 2: Government administrative</p> <ul style="list-style-type: none"> What defines the boundary of the JE: legal/administrative boundaries that include the extent of at least one government jurisdiction Note: When we talk about 'boundaries' of the JE we mean the minimum area for which an entity is appointed, endorsed or represents itself as the Jurisdictional Entity 	<p>Option 1: Our suggestion</p>	<ul style="list-style-type: none"> The main consideration for this decision is to ensure the entire JE, incl. all its members, fall under the same laws and regulations.
<p>OPTION 2: RSPO board</p> <ul style="list-style-type: none"> What defines the boundary of the JE: any workable boundary, be it geographic or otherwise – to be left to discretion of JE 	<p>Legal status</p>	<ul style="list-style-type: none"> To perform its functions (e.g. contracting, appointing committees), the JE will need to have a legal status. We propose to not define the legal status of the JE have the JE decide based on local context, laws and regulations. The legal status should merely allow the JE to legally perform the required functions.
	<p>Secretariat</p>	<ul style="list-style-type: none"> The 'secretariat' that is envisioned under the JE's formal structure, implies merely that each JE employs appropriately trained and skilled staff to satisfactorily carry out the JE's functions, activities, and administrative requirements and comply with any applicable legal requirements. The exact nature of that secretariat is not prescribed (i.e. it could even be a government department/para-statal entity).

Topic 1: What should be the functions of a JE - Internal?

We are asking the JAWG for guidance on which are the core functions of the JE – to be prescribed in the CSD

Functions	Description
Governance	The JE is effectively governed, with representative stakeholders safeguarding the JE from bias and rent-seeking, ensuring it represents all interests fairly
Defining legality	Identifying gaps in legal/regulatory framework versus RSPO P&C, and working towards addressing those (either through legal/regulatory changes or via its own structure)
Monitoring, information & data gathering	Establishing a baseline in key P&C areas and monitoring progress against this baseline, as part of this the JE will have to map and track palm oil production areas / producers
Internal auditing	Auditing the producers within the jurisdiction that fall under the JE's responsibility (as they do under group certification). Note that in addition to this there will be independent, external audits (of the JE as a whole)
Internal Grievance, Redress & Sanction Mechanism	A sufficiently transparent, independent and reliable capacity to receive, review and adjudicate complaints and grievances and take effective action
Producer Accountability	A sufficiently transparent, independent and reliable capacity to assess PO producer compliance with applicable P&C requirements and ensure producers within the jurisdiction are held accountable for non-compliance
Certification services	Supporting PO producers in the jurisdiction to achieve RSPO compliance, performing those certification requirements that can be more (cost) effectively achieved at the JE level
Administration	Ensuring a proper administration, including record keeping, sound finances etc.

Topic 1: What should be the functions of a JE – Towards RSPO?

We are asking the JAWG for guidance on which are the core functions of the JE – to be prescribed in the CSD

Topics	Sub-topics
Transparency	Periodic reporting to the RSPO about palm oil production and producers in the jurisdiction, reporting grievances received by the JE and findings made by the JE, reporting suspected or detected non-compliance by PO producers, (plus applicable RSPO-member reporting requirements)
Verification	Enabling and facilitating RSPO to conduct random audits of PO producers within the jurisdiction to verify the JE's reports
Audit	Permitting and facilitating the RSPO to audit the JE
Independence	Enabling and facilitating the RSPO to assess the independence of JE (e.g. by disclosing personal information about senior management and board members, their financial interests etc)

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Topic 2: Should there be a Supervisory Board overseeing the JE's work?

We are asking the JAWG to approve inclusion of a Supervisory Board in the CSD and for guidance on the composition of this Board

Option	Further decisions	Description
<p>1 OPTION 1: Multi-stakeholder board</p> <ul style="list-style-type: none"> The JE involves a broad set of stakeholders, to ensure inclusion of different viewpoints and interests of relevant stakeholders, and broad legitimacy of the supervisory board. Buy-in is also necessary to ensure commitments from the different stakeholders. 	<p>Option 1: Our suggestion</p> <p>Other organizational elements</p>	<ul style="list-style-type: none"> The JE should continuously be held to the scrutiny of a wide range of representative stakeholders to safeguard the JE from bias and rent-seeking and ensure it represents all interests fairly. If the JE is to audit and make decisions on the compliance of its producers these need to be overseen by a reliable, representative Board.
<p>2 OPTION 2: No specific board is required for compliance with JE criteria</p> <ul style="list-style-type: none"> The composition of JE governance is left to the stakeholders within the country. Suggestions for an effective governance structure can be made by RSPO but are not necessary for compliance. A hybrid could be to prescribe only a For and balanced board without going into detail 	<p>Stakeholder representation</p> <p>Conditions for selection</p>	<ul style="list-style-type: none"> Other organizational elements beyond the supervisory board, such as a specific form of administration, are not prescribed, to provide the JE with the opportunity/responsibility to develop their own structure. Additional guidance may be provided in guidance documents. We propose the following key stakeholders are at minimum required to be represented (equally distributed): <ul style="list-style-type: none"> Producers (mills, operations, outgrower/small grower and smallholder) Local and/or National government Relevant Civil Society Organizations To ensure the multi-stakeholder board includes relevant Civil Society Organizations and other relevant stakeholders a conditions for selection of stakeholders should be formulated and included in the CSD (e.g. transparency). In addition, to prevent a strong bias to specific interest groups, we propose a prescribed equal distribution of stakeholder groups in the multi-stakeholder board

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Topic 2: Which decisions should fall under the Board's responsibilities?

We are asking the JAWG to approve inclusion of these decisions as required to fall under the supervision of the Board (others being optional)

Functions	Decisions
Governance	<ul style="list-style-type: none"> Appoints the senior management of the JE Decides on any modification of statutes Decides on the dissolution of the JE
Defining legality	<ul style="list-style-type: none"> Approves gap assessment of legal framework and roadmap to address legality issues
Monitoring, Information & Data gathering	<ul style="list-style-type: none"> Oversight over monitoring, information & data gathering procedures
Internal auditing	<ul style="list-style-type: none"> Appoints an internal auditor, ensures independence of audits Final decision on expulsion of producers from JE
Internal Grievance, Redress & Sanction Mechanism	<ul style="list-style-type: none"> Oversight over grievance mechanisms and adjudicators
Producer Accountability	<ul style="list-style-type: none"> Approves the admission and expulsion of producers to the JE
Certification services	<ul style="list-style-type: none"> Approves annual plan for service provision to producers; approves the fees for producers that participate in the JE
Administration	<ul style="list-style-type: none"> Approves budgets, notes the contents of the reports and financial statements for the year and votes on their adoption, etc.

Propose to:
 Include
 Exclude

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Topic 3: The JE must have some sort of leverage over the producers, that can be put in a contract or left to the discretion of the JE

Functions	Description
Good governance	<ul style="list-style-type: none"> Ensuring that a wide range of representative stakeholders are involved to safeguard the JE from bias and rent-seeking and ensure it represents all interests fairly
Defining legality	<ul style="list-style-type: none"> Identifying gaps in legal/regulatory framework versus RSPO P&C, and working towards addressing those (either through legal/regulatory changes or via its own structure)
Monitoring, Information & Data gathering	<ul style="list-style-type: none"> Establishing a baseline in key P&C areas and monitoring progress against this baseline, as part of this the JE will have to map and track palm oil production areas / producers
Internal auditing	<ul style="list-style-type: none"> Auditing the producers within the jurisdiction that fall under the JE's responsibility. (as they do under group certification). Note that in addition to this there will be independent, external audits (of the JE as a whole)
Internal Grievance, Redress & Sanction Mechanism	<ul style="list-style-type: none"> A sufficiently transparent, independent and reliable capacity to receive, review and adjudicate complaints and grievances and take effective action
Producer Accountability	<ul style="list-style-type: none"> A sufficiently transparent, independent and reliable capacity to assess PO producer compliance with applicable P&C requirements and ensure producers within the jurisdiction are held accountable for non-compliance
Certification services	<ul style="list-style-type: none"> Effectively supporting PO producers in the jurisdiction to achieve RSPO compliance and perform those RSPO certification requirements that can be more (cost) effectively achieved at the JE level
Administration	<ul style="list-style-type: none"> Ensuring a proper administration, including record keeping, sound finances etc.

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Topic 3: Options for relation between producers and the JE

The options to define this relationship can be prescribed in the CSD or left open

Option	Description	Consideration
<p>1 OPTION 1: Obligatory relationship</p> <ul style="list-style-type: none"> All palm oil producer (group) in the jurisdiction are member of the JE (or a fixed, growing part of the population) is enforced by the JE. 	<p>2 OPTION 2: Contractual voluntary relationship</p> <ul style="list-style-type: none"> Palm oil producer (group) s (voluntarily) choose to subscribe to the benefits and obligations of the JE, as defined within a contract that they are legally accountable to. 	<ul style="list-style-type: none"> RSPO cannot prescribe this. Can only be implemented if government requires palm oil producers to be member (through law or regulation)
<p>3 OPTION 3: Non-contractual voluntary relationship</p> <ul style="list-style-type: none"> Palm oil producer (group) s (voluntarily) choose to use services the JE delivers but are not in any formal way bound to the JE. 	<p>4 OPTION 4: No requirement about the relationship</p> <ul style="list-style-type: none"> The CSD does not prescribe the legal relationship between the JE and producers, as long as the JE can demonstrate its ability to comply with the requirements in the CSD 	<ul style="list-style-type: none"> Similar logic as applied to group certification. Contractual relationship defines the composition of the JE. Producers can cancel contract.
<p>Consideration:</p> <ul style="list-style-type: none"> Members can use JE as a service provider only, paying for services the JE delivers. 	<p>Consideration:</p> <ul style="list-style-type: none"> The JE has considerable freedom to decide how they formulate their relation to the producer (group) depending on the local context & legal requirements. 	

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Topic 3: Our suggestion is OPTION 4: the CSD will not prescribe any specific requirements for the relationship between JE and producers

Component	Description
<p>4 OPTION 4: No requirement about the relationship</p> <ul style="list-style-type: none"> The CSD does not prescribe the (official) relation of the JE with producers, as long as they comply to the requirements. 	<ul style="list-style-type: none"> This approach is based on the principle that the CSD is specific about what the JE needs to do, but not specific about what it should look like. This gives the JE the freedom to design what works best in that jurisdiction. The JE functions as a service provider for the producer (group) s, taking care of certain components of compliance and assurance, possibly other additional services. In exchange the farmers could be asked to provide a fee and could be held to certain obligations, but this is left to the discretion of the JE.
<p>Logic</p>	<ul style="list-style-type: none"> In a purely voluntary relation between JE and producers, the benefit for producer (group) s to join the JE needs to be significantly stronger than obtaining, or retaining, RSPO certification without the JE If the JE does choose a contractual relationship individual smallholders that are not able to comply with the ISH standard (under development) will likely have to form groups to be able to comply with such obligations.
<p>Drivers for producer compliance under JE</p>	<ul style="list-style-type: none"> Note: there is an obligation by all producers in the jurisdiction to comply with all laws and regulations within the country. This means that if the legal framework has obligations equivalent to (parts of) the P&C, those requirements would become binding and all producers in the jurisdiction will fall under the JA. A jurisdiction could also make participation in the JE obligatory for palm oil producers.
<p>Compliance with national law and regulation</p>	

We are asking the JAWG to consider this option and approve in our meeting

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Topic mapping & timeline

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Placeholder. To be updated & circulated based on WG discussions

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